

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Dorr Township Library Fund	County Allegan
Fiscal Year End March 31, 2006	Opinion Date May 31, 2006	Date Audit Report Submitted to State 11/29/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

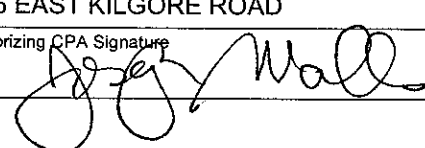
YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>	Nothing to report		
Other (Describe)	<input type="checkbox"/>	No other documents necessary		
Certified Public Accountant (Firm Name) SIEGFRIED CRANDALL P.C.		Telephone Number 269-381-4970		
Street Address 246 EAST KILGORE ROAD		City KALAMAZOO	State MI	Zip 49002
Authorizing CPA Signature 		Printed Name JOSEPH M. WALLS		License Number 1101013696



*Dorr Township Library Fund*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2006*

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Dorr Township Library

We have audited the accompanying financial statements of Dorr Township Library Fund, a special revenue fund of the Township of Dorr, Michigan, as of and for the year ended March 31, 2006, as listed in the contents. These financial statements are the responsibility of Township of Dorr management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the operations of Dorr Township Library Fund and are not intended to present fairly the financial position and results of operations of the Township of Dorr, Michigan, in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dorr Township Library Fund as of March 31, 2006, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

*Siegfried Crandall P.C.*

May 31, 2006



## **FINANCIAL STATEMENTS**



***Dorr Township Library Fund***

**BALANCE SHEET**

*March 31, 2006*

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	ASSETS	
Cash		\$ 98,590
Due from other governmental units		<u>4,081</u>
	TOTAL ASSETS	<u>\$ 102,671</u>
	LIABILITIES AND FUND BALANCE	
Payroll liabilities		\$ 1,916
Accounts payable		5,060
Fund balance - unrestricted, undesignated		<u>95,695</u>
	TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 102,671</u>

*See notes to financial statements*



**Dorr Township Library Fund****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL***Year ended March 31, 2006*

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
State grants - state aid	\$ 5,731	\$ 5,229	\$ (502)
Charges for services	4,000	3,711	(289)
Fines and forfeitures:			
Penal fines	43,000	44,130	1,130
Other fines	-	5,655	5,655
Total fines and forfeitures	43,000	49,785	6,785
Interest	400	677	277
Other:			
Contributions and grants	1,974	675	(1,299)
Miscellaneous	4,395	2,462	(1,933)
Total other	6,369	3,137	(3,232)
Total revenues	59,500	62,539	3,039
EXPENDITURES:			
Recreation and cultural:			
Payroll	83,691	83,734	(43)
Book purchases	14,000	15,501	(1,501)
Audio-visual materials	3,642	3,357	285
Periodicals	2,000	1,953	47
Collection and office supplies	3,700	3,692	8
Professional and contracted services	8,000	7,435	565
Community promotions	2,000	1,146	854
Education and training	700	609	91
Insurance	100	100	-
Communications	1,950	1,961	(11)
Maintenance and services	7,000	7,193	(193)

*See notes to financial statements*



**Dorr Township Library Fund****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (Continued)**

Year ended March 31, 2006

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	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued):			
Recreation and cultural (continued):			
Electronic access	12,000	12,216	(216)
Transportation	400	428	(28)
Miscellaneous	<u>1,950</u>	<u>2,053</u>	<u>(103)</u>
Total recreation and cultural	141,133	141,378	(245)
Capital outlay	<u>6,800</u>	<u>12,029</u>	<u>(5,229)</u>
Total expenditures	<u>147,933</u>	<u>153,407</u>	<u>(5,474)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(88,433)	(90,868)	(2,435)
OTHER FINANCING SOURCES:			
Transfer from General Fund	<u>80,000</u>	<u>80,000</u>	<u>-</u>
DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(8,433)	(10,868)	(2,435)
FUND BALANCE - BEGINNING	<u>106,563</u>	<u>106,563</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 98,130</u>	<u>\$ 95,695</u>	<u>\$ (2,435)</u>

See notes to financial statements



***Dorr Township Library Fund***  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of Dorrr Township Library Fund conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant accounting policies:

*a) Reporting entity:*

These financial statements include only Dorrr Township Library Fund (the Library), a special revenue fund of the Township of Dorrr, Michigan, and, as such, are not intended to present fairly the financial position and results of operations of the Township of Dorrr, Michigan, in conformity with generally accepted accounting principles.

The general purpose financial statements of the Township of Dorrr, Michigan, are available at the Township offices.

*b) Basis of accounting:*

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental fund types are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available to finance expenditures of the fiscal period and is considered fully collectible.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

*c) Budgets and budgetary accounting:*

The Library follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 621, Public Acts of 1978) as prescribed by the State of Michigan.

The Library's budget has been adopted at the line-item level and is on a basis consistent with generally accepted accounting principles.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the line item level. All annual appropriations lapse at the end of the fiscal year. The Library's significant budget variation was as follows:

<u>Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Capital outlay	\$ 6,800	\$ 12,029	\$ (5,229)



***Dorr Township Library Fund***  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 3 - CASH:**

*Deposits with financial institutions:*

Cash as presented in the combined balance sheet consists of deposits with financial institutions. Deposits are carried at cost and maintained at various financial institutions in the name of the Authority. Michigan Compiled Laws, Section 129.91, authorizes the Library to deposit and invest in accounts of federally-insured banks, credit unions, and savings and loan associations. At March 31, 2006, the Library has deposits with a carrying amount of \$98,590 and a bank balance of \$99,345, which is covered by federal depository insurance.

**NOTE 4 - RISK MANAGEMENT:**

The Library is exposed to various risks of losses for claims arising from general liability, wrongful acts, professional liability, property damage and destruction, crime, accidents, and injuries. Risks of losses arising from possible claims are managed through the purchase of commercial insurance.

For all risks of loss, there have been no significant reductions in insurance coverage from coverage provided in prior years. Also, in the past three years, settlements did not exceed insurance coverage.